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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Jay S. Walker

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09/17/2008

WALKER DIGITAL MANAGEMENT, LLC
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EXAMINER

CHAMPAGNE, DONALD

ART UNIT

PAPER NUMBER

3688

MAIL DATE

DELIVERY MODE

09/17/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/850,328	Applicant(s) WALKER ET AL.	
	Examiner Donald L. Champagne	Art Unit 3688	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 July 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,4,8,9,13,15-25,28-34,36,37,39-64,69-75,81 and 92-106 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,4,8,9,13,15-25,28-34,36,37,39-64,69-75,81 and 92-106 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 07 May 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 10 July 2008 has been entered.

Incomplete Information Disclosure Statement

2. The information disclosure statement filed 18 October 2007 fails to comply with 37 CFR 1.98(a)(1), which requires a list of all patents, publications, or other information submitted for consideration by the Office (i.e., a form PTO-1449). The examiner could not find a form PTO-1449 with the filing. The IDS has been placed in the application file, but the information referred to therein could not be considered because it is not identified. Applicant may have the information considered without filing a petition by submitting the form PTO-1449 in reply to this Office action, but not later than the close of prosecution (MPEP 609.III.B(2) or 37 CFR 1.97(c)). No fees were charged for the incomplete IDS filing on 18 October 2007, so the appropriate fee should be charged with the 1449 filing.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1, 4, 8, 9, 13, 15-18, 20-23, 28-34, 36, 37, 39-64, 69-71, 75, 81 and 96-102 are rejected under 35 U.S.C. 101 because the claimed invention is directed to nonstatutory subject matter. Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a

Art Unit: 3688

different state or thing (see at least *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fail to meet the above requirements because the claims fail to tie in another statutory class of invention.

5. Claims 1, 4, 8, 9, 13, 15-25, 28-34, 36, 37, 39-64, 69-75, 81 and 92-106 are rejected under 35 U.S.C. 101 because the claimed invention cannot produce a concrete (i.e., repeatable) result (MPEP § 2106.IV.C.2(2)c)). In every independent claim, either “one subsidizer different from the at least one merchant” (e.g., claim 1 lines 8-9) or “a third party entity different from the restaurant” (e.g., at claim 69, line 9) is not given objective definition. The result, the awarding of a subsidy, is arbitrary and not concrete.

Applicability of 35 USC 112, 6th Paragraph

6. It appears the applicant is attempting to invoke 35 U.S.C. 112, 6th paragraph in claims 93, 95, 104 and 106 by using “means-plus-function” language, such as “means for sending”, which has no apparent support in the specification. In order to successfully invoke the sixth paragraph, a three-prong test must be met (MPEP § 2181.I): (1) the claim must use means-plus-function language; (2) the claim itself must not provided structural limitations to the means-plus-function language; and (3) the specification must recite explicit physical structural limitations for the means-plus-function language in the claim.
7. While the above claims pass the first two prongs of the three prong test, they do not pass the third prong: There is no explicit recitation in the specification of any physical structures to perform the functions of the means-plus-function limitations in the claims. Therefore, 35 U.S.C 112, 6th paragraph has not been successfully invoked. The Examiner will consider the means to perform the claimed functions as any means, physical or virtual, that can perform the function.

Claim Rejections - 35 USC § 112

8. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Art Unit: 3688

9. Claims 1, 4, 8, 9, 13, 15-25, 28-34, 36, 37, 39-64, 69-75, 81 and 92-106 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In every independent claim, either “one subsidizer different from the at least one merchant” (e.g., claim 1 lines 8-9) or “a third party entity different from the restaurant” (e.g., at claim 69, line 9), is indefinite.
10. The common meaning of “third party” is a business entity that is independent of some other first and second parties. However, business ownership is not generally amenable to simple distinctions and is in any event is variable, not fixed. Suppose the first and second parties each owned 50% of a subsidizer: would said subsidizer still be a “third party”? (Or would it be a 1-½ party?) Alternatively, suppose that some fourth entity owned 50% of the common stock of each of the three parties: which is the third party, or the first or second party for that matter?
11. The amendment to “third party different from the merchant” does not overcome indefiniteness, first because “different” is not defined. The examiner interprets “different” to mean an ownership limitation, because that is implied in the disclosure (para. [0042] of the published application, US 2002016577A1). Assume then that said third party is a supplier to a merchant, Wal-Mart, for example. What happens if Wal-Mart decides to become vertically integrated and buys said “third party” supplier? The “third party” disappears, and any patent with such a limitation would presumably become worthless with respect that those entities. Now what happens if Wal-Mart decides to form a joint venture and sells half of the former “third party” to another supplier? Is the hypothetical patent limited to a “third party” now supposed to apply to this “1-½ party”?
12. The second paragraph of 35 U.S.C. 112 requires that applicant “distinctly” claim the invention. A claim cannot be distinct when it is based on an object as variable as an ownership limitation (MPEP § 2173.05(b), “REFERENCE TO AN OBJECT THAT IS VARIABLE MAY RENDER A CLAIM INDEFINITE”).

Claim Rejections - 35 USC § 102 and 35 USC § 103

13. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

Art Unit: 3688

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

14. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

15. Claims 1, 4, 8, 9, 13, 15-18, 20-23, 28-34, 36, 37, 39-64, 69-71, 75, 81 and 92-106 are rejected under 35 U.S.C. 102(e) as being anticipated Chen et al. (US006741969B1).

16. Chen et al. teaches (independent claims 1, 56, 60, 69, 71, 75, 81 and 92-95) a method, product and system/apparatus for adjusting prices of one or more items, particularly at a restaurant, the method comprising:

providing an indication of a plurality of products (*menus*, col. 9 lines 48-52) each of said plurality of products having an initial price (*the amount to be charged*, col. 7 lines 5-6) and being associated with at least one merchant (*a restaurant*, col. 1 lines 44-51);

providing an indication of an available price adjustment (*the incentive*, col. 7 lines 5-6);

providing an indication of a subsidy offer (*the incentive*, col. 7 lines 5-6, or *promotions*, col. 20 lines 3-4) associated with said price adjustment, said subsidy offer including at least one qualifying action that a customer must agree to perform to receive the price adjustment (paying for the meal) on a purchase of at least one of the plurality of products in a first transaction (again, paying for the meal), and wherein the subsidy offer is associated with a subsidizer/third party (*manufacturers or suppliers*, col. 20 lines 4-5) different from the at least one merchant, and the qualifying action concerns a product of the subsidizer (*a competitor*, col. 20 lines 12-13);

receiving an acceptance of the subsidy offer (the customer orders the *competitor* bottle of wine, col. 20 lines 12-13); and

Art Unit: 3688

providing the price adjustment to the customer for the purchase of at least one of the plurality of products in the first transaction (col. 7 lines 5-6).

For claims 71 and 81, Chen et al. also teaches a customer using a wireless device (col. 20 line 60), which inherently operates in a restaurant and inherently for “a plurality of items” when reserving for two or more people. Chen et al. also teaches a yield management system (col. 20 line 32 *et seq.*), which inherently requires a customer in one busy restaurant with a wireless device to use said wireless device to find a less busy restaurant with an incentive (col. 20 line 43).

For claim 75, Chen et al. also teaches presentation of a payment means (col. 7 lines 1-5 and 6-11), which reads on receiving an indication of a commitment to complete said qualifying action.

17. The following claim language is non-functional descriptive material and was not given patentable weight (MPEP § 2106.01):

“wherein ... the qualifying action concerns a purchase of a product of the subsidizer in a second transaction that is not the first transaction”.

The claim language merely describes the terms of an agreement. In the sense used in the patent law (35 USC 101), an agreement is not functional because it is neither “tied to a particular apparatus” nor “operates to change materials to ‘a different state or thing’” (*IN RE COMISKEY*, CAFC 2006-1286, September 2007).

18. Chen et al. also teaches at the citations given above claims 4, 8, 9, 13, 15 (the “second price” is the *amount to be charged* minus *the incentive*), 28-32, 34, 37, 39-52, 53 (inherently), 54, 55 (inherently) and 70.
19. Chen et al. also teaches: claim 16 (when the auction expires, col. 2 line 24); claims 17, 18, 20-23, 33 and 36 (col. 19 lines 30-32 and col. 6 lines 61-62 for claim 22); and claims 57-59 and 61-64, where responding to an ad (col. 8 lines 53-55) reads on a qualifying action.
20. Claims 96-106 add only nonfunctional descriptive material and were accordingly not given patentable weight [MPEP 2106.IV.B.1(b)].
21. Claims 1, 4, 8, 9, 13, 15-18, 20-23, 28-34, 36, 37, 39-64, 69-71, 75, 81 and 92-106 are rejected under 35 U.S.C. 102(e) as being anticipated Chen et al. (US006741969B1).

Art Unit: 3688

22. Chen et al. teaches (independent claims 1, 56, 60, 69, 71, 75, 81 and 92-95) a method, product and system/apparatus for adjusting prices of one or more items, particularly at a restaurant, the method comprising:

providing an indication of a plurality of products (*menus*, col. 9 lines 48-52) each of said plurality of products having an initial price (*the amount to be charged*, col. 7 lines 5-6) and being associated with at least one merchant (*a restaurant*, col. 1 lines 44-51);

providing an indication of an available price adjustment (*the incentive*, col. 7 lines 5-6);

providing an indication of a subsidy offer (*the incentive*, col. 7 lines 5-6, or *promotions*, col. 20 lines 3-4) associated with said price adjustment, said subsidy offer including at least one qualifying action that a customer must agree to perform to receive the price adjustment on a purchase of at least one of the plurality of products in a first transaction (buying a \$50 certificate for \$35, col. 4 lines 61-65), and wherein the subsidy offer is associated with a subsidizer/third party (*manufacturers* or *suppliers*, col. 20 lines 4-5) different from the at least one merchant, and the qualifying action concerns a purchase of a product of the subsidizer (*a competitor*, col. 20 lines 12-13) in a transaction that is not the first transaction (buying a restaurant meal);

receiving an acceptance of the subsidy offer (the customer orders the *competitor* bottle of wine, col. 20 lines 12-13); and

providing the price adjustment to the customer for the purchase of at least one of the plurality of products in the first transaction (col. 7 lines 5-6).

For claims 71 and 81, Chen et al. also teaches a customer using a wireless device (col. 20 line 60), which inherently operates in a restaurant and inherently for "a plurality of items" when reserving for two or more people. Chen et al. also teaches a yield management system (col. 20 line 32 *et seq.*), which inherently requires a customer in one busy restaurant with a wireless device to use said wireless device to find a less busy restaurant with an incentive (col. 20 line 43).

For claim 75, Chen et al. also teaches presentation of a payment means (col. 7 lines 1-5 and 6-11), which reads on receiving an indication of a commitment to complete said qualifying action.

Art Unit: 3688

23. Claims 4, 8, 9, 13, 15, 16-18, 20-23, 28-32, 33, 34, 36, 37, 39-55, 57-59 61-64, 70 and 96-106 are rejected as indicated in para. 18-20 above.

24. Claims 19, 24, 25 and 72-74 are rejected under 35 U.S.C. 103(a) as being obvious over Chen et al. (US006741969B1). Chen et al. does not teach verification. Because verification is common sense ("measure twice, cut once") and easy to achieve (Waiter, will I get the discount if I order this item?), it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add price verification to the teachings of Chen et al.

Response to Arguments

25. Applicant's arguments filed with an amendment on 10 July 2008 have been fully considered but they are not persuasive.

26. Applicant argues (p. 22-23) that the variability of business ownership is not fatal to the definiteness of any pending claim any more than variability of a manufacturing process because the claims have a defined scope that can be compared to different activities and relationships. But meaningful comparison is impossible because applicant has not provided objective criteria by which to judge how a subsidizer is "different" from the at least one merchant or how a "third party entity" is different from the restaurant. The Office does not grant patents for differences in words. Without objective criteria that would be clear to one of ordinary skill in the art, the claims are not patentable.

Conclusion

27. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Donald L Champagne whose telephone number is 571-272-6717. The examiner can normally be reached from 9:30 AM to 8 PM ET, Monday to Thursday. The examiner can also be contacted by e-mail at donald.champagne@uspto.gov, and *informal* fax communications (i.e., communications not to be made of record) may be sent directly to the examiner at 571-273-6717.

28. The examiner's supervisor, James W. Myhre, can be reached on 571-272-6722. The fax phone number for all *formal* fax communications is 571-273-8300.

29. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published

Art Unit: 3688

applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

30. **ABANDONMENT** – If examiner cannot by telephone verify applicant's intent to continue prosecution, the application is subject to abandonment six months after mailing of the last Office action. The agent, attorney or applicant point of contact is responsible for assuring that the Office has their telephone number. Agents and attorneys may verify their registration information including telephone number at the Office's web site, www.uspto.gov. At the top of the home page, click on Site Index. Then click on Agent & Attorney Roster in the alphabetic list, and search for your registration by your name or number.

13 September 2008

/Donald L. Champagne/
Primary Examiner, Art Unit 3688